



**COMMONWEALTH OF MASSACHUSETTS**  
**Office of Consumer Affairs and Business Regulation**  
**DIVISION OF INSURANCE**

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COMMISSIONER OF INSURANCE

**Re: Long-Term Care Insurance Policies Issued in Massachusetts that are  
Intended to Qualify Insureds for Certain MassHealth Exemptions**

The purpose of this notice is to remind Massachusetts' long-term care policyholders of the minimum coverage requirements needed to potentially qualify for exemptions from some MassHealth eligibility and recovery rules. Although there is information about these coverage requirements in the publication *Your Options for the Financing of Long-Term Care: A Massachusetts Guide*, the Commissioner of Insurance has instructed all long term care insurance carriers to provide this notice to clarify the coverage requirements associated with MassHealth exemptions.

Buying long-term care insurance in Massachusetts that meets certain standards may qualify the policyholder for exemptions from some of the eligibility and recovery rules under the Massachusetts MassHealth (Medicaid) Program. **It is important to note that MassHealth minimum coverage requirements are based upon benefits available as of the day the individual enters a nursing home, not what is available on the day the person buys a policy.**

One of the existing requirements to qualify for MassHealth exemptions is that an individual's long-term care insurance must have benefits available to pay at least \$125 per day for at least 730 days (2 years) of nursing home care as of the day the individual enters a nursing home.

Although a long-term care insurance policy may satisfy the MassHealth minimum coverage requirements at the time it is purchased, if the insured uses the policy to pay for non-nursing home benefits (e.g., home health care, personal care or assisted living benefits), the amount of benefits available to pay for nursing home care may be reduced. Depending upon the original maximum benefit and other benefits that may have been used, the policy may not meet the MassHealth minimum coverage requirements as of the day the individual enters a nursing home.

For example: a person purchased a policy with 730 days of nursing home and home health care coverage and, prior to entering the nursing home, used 100 days of coverage to pay for home health care services. On the day the individual enters the nursing home, the person would have 630 days of coverage left to pay for nursing home care. This is less than the minimum 730 days of nursing home coverage required for certain MassHealth exemptions.

It should also be noted that a long-term care policy with an inflation protection benefit may ultimately satisfy the MassHealth minimum coverage requirements, even if the policy failed to meet the MassHealth minimum coverage requirements on the day it was purchased. For example, a policy that initially had a \$100 per day benefit with an annual inflation adjustment could potentially

increase over time to meet the MassHealth minimum coverage requirements as of the day the person enters a nursing home.

Please note that this notice does not change any contractual obligations under any existing long-term care insurance policies issued in Massachusetts. Qualifying for insurance benefits is independent from qualifying for an exemption under the MassHealth law. For more information, contact your agent or read *Your Options for Financing Long-Term Care: A Massachusetts Guide* provided at the time you applied for a policy.

Please be aware that laws may change and the exemptions and the MassHealth minimum coverage requirements that exist today may not necessarily be the same in the future (or might not exist at all).